

**REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA**

**A REVIEW OF THE
COMMUNITY TRANSIT SERVICES PROGRAM
OF THE TRANSPORTATION DEVELOPMENT ACT**

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

295.1

A REVIEW OF THE
COMMUNITY TRANSIT SERVICES PROGRAM
OF THE TRANSPORTATION DEVELOPMENT ACT

JANUARY 1981



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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WALTER M. INGALLS

CHAIRMAN

January 9, 1981

295.1

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report concerning the Community Transit Services Program of the Transportation Development Act.

The auditors are William M. Zimmerling, CPA, Audit Manager; Robert J. Maloney; John B. Schmidt; and Christopher O. B. Wright.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Walter M. Ingalls", written over a horizontal line.

WALTER M. INGALLS
Chairman, Joint Legislative
Audit Committee

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SUMMARY

We have reviewed the Community Transit Services Program which was established in 1977 by Article 4.5 of the California Transportation Development Act (TDA). The program provides transportation services connecting intracommunity origins and destinations primarily for elderly and handicapped persons.

Five Regional Transportation Planning Agencies (RTPAs) are eligible for administering the Community Transit Services Program in nine counties: Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara, Los Angeles, Orange, San Diego, and Sacramento. Under the requirements of Article 4.5 of the TDA, the RTPAs are to establish program criteria; to review claims from cities, counties, or transit districts; and to allocate funds for services.

We found that the RTPAs and the transit operators have implemented the Community Transit Services Program without satisfying all the requirements stipulated by Article 4.5. The RTPAs have not adequately assessed the transit needs of the disabled nor have they demonstrated the effectiveness of the services provided. Furthermore, in some instances, the RTPAs allocated funds to continue ongoing programs rather than to begin new services.

In our review of transit operators, we found that operators have been unable to collect in their fare boxes the percentage of costs designated by Article 4.5 for fiscal year 1980-81. In addition, the operators made only limited attempts at marketing their services. Furthermore, Section 99279 of the Public Utilities Code required that we consider five specific performance measures of services. We found that although the measures can be used to monitor an operation over time or to indicate areas with potential problems, they should not be used for direct comparisons between operations. Finally, we found that operators often need county or municipal support to help offset the administrative costs of implementing community transit services.

In determining whether the program should be extended, amended, or terminated, the Legislature may wish to consider (1) requiring the RTPAs to use a fixed percentage of TDA funds for the Community Transit Services Program, (2) appropriating a fixed funding amount, (3) requiring the RTPAs to study all unmet transit needs and allocate TDA funds accordingly, (4) allowing municipal contributions and subsidies to be included in fare-box collections, (5) fixing a fare-box percentage to be applicable to all types of service within the Community Transit Services Program, and (6) clarifying the intent of Article 4.5 of the TDA.

INTRODUCTION

As directed by Public Utilities Code Section 99279 and under the authority vested in the Auditor General by Government Code Sections 10527 and 10528, we have reviewed the implementation of the Community Transit Services Program, which is authorized by Article 4.5 of the Transportation Development Act (TDA). In this section, we first discuss the general provisions of the TDA and then the specific aspects of the Community Transit Services Program. We further describe the audit methodology and study limitations.

TRANSPORTATION DEVELOPMENT ACT

Increasing deficits have prompted federal, state, and local governments to provide financial subsidies to meet transportation needs. The California TDA, which became effective in July 1972, provided a new source of financial support for public transportation in the State. This act established a local transportation fund in each county, with revenues generated from a portion of the existing county sales and use taxes equal to 1/4 percent of the retail sales and use.* It also established the Regional Transportation Planning

* Use tax is an excise tax imposed on the storage, use, or other consumption of property.

Agencies (RTPAs) and made them responsible for allocating local transportation funds. All RTPAs are eligible for administration funds.

Under the TDA, claims filed under Article 4 must be used for public transportation, research and demonstration projects, and other mass transit projects. Claims filed under Article 8 are generally used to build and improve streets and roads in certain counties. Claims may also be filed for pedestrian and bicycle ways.

Community Transit Services Program

The Community Transit Services Program was formed when Article 4.5 of the TDA took effect in January 1977. The article allows claimants--transit districts, consolidated transportation service agencies, cities, or counties--to file claims "with the transportation planning agency...for community transit services, including such services for those, such as the disabled, who cannot use conventional transit services." The law defines community transit services as those transportation services which link intracommunity origins and destinations. Although the law does not specifically designate services for the elderly and handicapped, most programs exclusively serve that population.

Participating Counties

Claimants in nine counties--those with over 500,000 people but less than 4,500 miles of maintained county roads--are eligible for Article 4.5 funds. Five of the nine counties are located in the Bay Area: Alameda, Contra Costa, San Mateo, San Francisco, and Santa Clara. The remaining counties are Los Angeles, San Diego, Orange, and Sacramento. Appendix A contains a comprehensive regional analysis of the community transit services provided in each of the nine counties.

Various entities manage and allocate Article 4.5 funds for eight of the nine counties. (Orange County does not use Article 4.5 funds but provides similar services under Article 4 of the TDA.) The Metropolitan Transportation Commission serves the Bay Area, the Comprehensive Planning Organization serves San Diego County, and the Sacramento Regional Area Planning Commission serves Sacramento County.* The Southern California Association of Governments has delegated administration of this program in Los Angeles County to the Los Angeles County Transportation Commission.

The TDA does not provide additional funds for the Community Transit Services Program. All TDA transportation services annually compete for TDA allocations through the

* The Comprehensive Planning Organization is now the San Diego Association of Governments.

Regional Transportation Planning Agencies. Since the TDA provides annual funding for transportation needs within each county, any increase for community transit services would be made by reducing funds available for other public transportation needs.

Program Administration

After making allocations for specified purposes, such as administration, the RTPAs may allocate up to 5 percent of the counties' remaining TDA funds to claimants who provide community transit services. To approve claims for community transit services, each RTPA must first adopt criteria, rules, and regulations for evaluating claims and determining the cost-effectiveness of community transit services. In addition, the RTPAs are responsible for ensuring that community transit services are providing transportation needs not already served in the community and that programs are integrated with existing transportation services. The RTPAs must also ensure that claimants prepare estimates of revenues, operating costs, and patronage, and have adequate management information systems for evaluating the program.

Claims for services may be submitted by cities, counties, operators, and consolidated transportation service agencies. Most claims submitted for service are from cities and counties. Claimants may subcontract service to nonprofit or privately owned transit operations.

AUDIT SCOPE AND METHODOLOGY

We reviewed the Community Transit Services Program in the Bay Area (Alameda, Contra Costa, Santa Clara, San Mateo, and San Francisco Counties), Los Angeles County, Orange County, San Diego County, and Sacramento County. We also reviewed like services for Orange County. We visited the RTPAs at each site and examined selected operators and claimants. These operators and claimants were located in San Diego, Pomona, Fremont, Oakland, Richmond, Sacramento, and Los Angeles.

To analyze the Community Transit Services Program, we visited each RTPA to evaluate its compliance with the requirements of the TDA and its implementation and management of the program. We visited claimants and operators to determine funding, operations, and procedures and services provided. In addition, we sent questionnaires to each claimant or operator and to all the RTPAs having responsibilities under the Article 4.5 program. Operator questionnaires focused on area served, types of service, operational costs, funding, coordination with other agencies, operating agreements, fare-box recoveries, annual revenue, mileage, and patrons served. We used RTPA questionnaires in conjunction with on-site evaluations to determine the need for community transit services, program management, funding allocations, evaluation criteria used, and the effectiveness of services under this program.

STUDY LIMITATIONS

Since Article 4.5 of the TDA does not provide for formal coordination between the RTPAs, no common approaches or allocation procedures for community transit services have been established. Thus, the activities of each RTPA must be considered independently.

Most of the statistical information presented in this report was provided by the RTPAs and the transit operators. This information has not been verified.

STUDY RESULTS

We have examined the RTPAs' and the operators' implementation of the Community Transit Services Program. We found that the RTPAs did not adequately assess the transit needs for the disabled and did not evaluate or demonstrate the feasibility of the services provided. In some cases, the RTPAs funded existing operating services.

In our review of the operator's performance, we found that operators (1) were not collecting in their fare boxes the percentage of costs required by law and (2) were not sufficiently marketing their programs. Furthermore, the performance measures of operator services required by Public Utilities Code Section 99279 showed wide differences in costs of and passengers served by the Community Transit Services Program. In addition, we found that some claimants are using municipal and county funds to pay the administrative expenses of their community transit services programs.

BACKGROUND

To aid in the understanding of the implementation of the Community Transit Services Program, we have included a description of the types of services available and the amounts and percentages of funds allocated by each RTPA.

Types of Community Transit Services

There are four types of community transit services for the elderly and handicapped. These are subsidized taxis, wheelchair vans, fixed-route vehicles, and other vehicles.

Subsidized taxis primarily serve elderly patrons by providing door-to-door service on demand. Local taxi companies contract with cities, counties, or transit districts to provide this service.

Wheelchair vans primarily serve the handicapped community on demand. This service provides specially equipped lift vehicles, which can accommodate two or more wheelchairs and a small number of patrons not confined to wheelchairs. Patrons may reserve this service 24 hours in advance by telephone. In case of scheduling conflicts, operators have established a priority system so that medical needs are served first. This is the most expensive service per passenger that is provided under the Community Transit Services Program.

The third and fourth types of services are provided by fixed-route vans or other vehicles. These services generally provide transportation to shopping areas and to community activities for the elderly. Some operators have expanded these services to include youth groups, commuters, and persons receiving low incomes.

Allocations of Funds for
Community Transit Services

Seven of the nine counties eligible for Article 4.5 allocate 5 percent of their TDA funds. If claims are not sufficient to use the full allocation, these funds may be carried forward to subsequent years. Table 1 below presents program allocations for fiscal year 1979-80.

TABLE 1

COMMUNITY TRANSIT SERVICES PROGRAM ALLOCATIONS
AND CLAIMS MADE FOR FISCAL YEAR 1979-80

<u>County</u>	<u>Total TDA Funds</u>	<u>Percentage of 1979-80 TDA Funds Allocated to Article 4.5</u>	<u>Total Article 4.5 Claims Made for 1979-80</u>	
			<u>Dollars</u>	<u>Percentage of TDA Funds</u>
Alameda County	\$ 16,372,396	5%	\$1,130,593 ^a	6.9%
Contra Costa County	10,154,579	5%	\$ 237,767	2.3%
Santa Clara County	21,043,296	5%	\$1,042,592	4.9%
San Mateo County	9,956,832	5%	\$ 489,840	4.9%
San Francisco County	12,038,769	5%	\$ 515,180	4.3%
Los Angeles County	112,636,446	.78%	\$1,812,940 ^a	1.6%
Orange County	30,952,712	--	--	--
San Diego County	22,997,881	5%	\$1,170,472 ^{a,b}	5.1%
Sacramento County	<u>11,344,652</u>	5%	\$ 549,000	4.8%
Total TDA Funds	<u>\$247,497,563</u>			

^a Carryover funds from previous years were claimed in fiscal year 1979-80.

^b Some monies were returned to the transportation account because the number of patrons was overestimated.

As shown in the table, Orange County does not participate in the Article 4.5 program but instead funds its community transit services with monies authorized by Article 4 of the TDA. These funds amounted to \$5,768,000 or approximately 10 percent of Orange County's total operating budget for fiscal year 1979-80. Los Angeles County allocated approximately 1 percent of its TDA funds for the Community Transit Services Program because expenditures for public transit needs limited the amount available for these services.

REGIONAL TRANSPORTATION AGENCIES'
IMPLEMENTATION OF THE
COMMUNITY TRANSIT SERVICES PROGRAM

The TDA established the Community Transit Services Program with the stipulation that the RTPAs (1) verify the need for services in their areas and (2) fund programs that demonstrate the feasibility of community transit services. Furthermore, Article 4.5 requires that the RTPAs allocate funds only for services not currently being provided. We found that the RTPAs have not adequately assessed the transit needs for the disabled and, therefore, have not measured the feasibility of the programs to meet those needs. In addition, in some instances, the RTPAs have funded ongoing programs.

Determination of Transportation Needs

General census data provide some information on the need for community transit services; however, this information is dated. Only one of the four participating RTPAs conducted a study to determine the needs of the disabled when the program was enacted. Therefore, the RTPAs may make decisions to allocate funds or plan for community transit services based upon inadequate information.

We found that the level of transportation needs has not been accurately determined in each region and that the demand for service far exceeds the available supply. Using a Department of Commerce model, we estimated that approximately 3,023,000 elderly and handicapped individuals could use community transit services in the nine counties eligible for the Community Transit Services Program. Further, we estimated that approximately 320,000 could not use normal transportation services, even if they were available. Appendix B contains results from our analysis of the elderly and handicapped population. Officials acknowledge that the need for additional community transit services exceeds resources. Because of this demand for service, the RTPAs are approving claims for programs that do not demonstrate their effectiveness in meeting transit needs.

Demonstration of Feasibility

The RTPAs have not established standards against which to measure the program's feasibility. The Los Angeles County Transportation Commission dropped the requirement for demonstrating service feasibility when the Article 4.5 program was extended from July 1, 1980 to July 1, 1982. The extension was made to allow for the slow start-up of the Community Transit Services Program. However, Los Angeles County Transportation Commission officials said that they interpreted this extension as an end to the program's demonstration period.

Funding Ongoing Services

Article 4.5 requires that, prior to approving claims for community transit services, the RTPAs determine whether the proposed service is cost-effective and whether it is responding to a need not currently being met in the community. However, in general, if the claims for services meet the legal requirements and the funds are available, the claims are approved.

Although the RTPAs are required to fund only those community transit services needed but not already provided, some claimants have received Article 4.5 funds to continue ongoing programs. In Sacramento, for example, the Sacramento Regional Transit District operated its Care-Ful Coach service

before the enactment of Article 4.5. But the district has used the Article 4.5 funds to continue these services throughout fiscal years 1977-78 and 1978-79.

OPERATORS' IMPLEMENTATION OF THE COMMUNITY TRANSIT SERVICES PROGRAM

In our review of the operators' implementation of the Community Transit Services Program, we found that the operators are not collecting in their fare boxes the percentage of costs required by law for fiscal year 1980-81. Furthermore, the operators have not been adequately marketing their services. The performance indicators we examined show wide differences in costs of and passengers served by the Community Transit Services Program.

Fare-Box Recovery Rates

The TDA requires that, commencing with fiscal year 1980-81, at least 10 percent of operating expenses for transporting only the elderly and handicapped must be recovered in fare-box collections and that 20 percent of operating expenses must be recovered if transportation services are provided to other than elderly and handicapped passengers. This requirement causes difficulty for operators, especially those using vehicles equipped with wheelchair lifts since these vehicles are expensive to operate and have limited capacity. Twenty-one of the 42 operators we reviewed did not recover

10 percent of their operating expenses in fare-box collections in fiscal year 1979-80. Fare-box recoveries as reported on our questionnaires were as low as 1.67 percent of operating expenses. Some RTPA officials expressed concern that the fare-box recovery requirements are too stringent.

Under current interpretation of the law, only fare-box revenues are counted toward fare-box recovery requirements. In addition, operators who are partially funded by the federal Administration on Aging cannot charge for services since federal regulations prohibit operators from charging fares and only allow them to accept donations from passengers.

City and local community grants and contributions provide additional support for 20 of the 39 community transit service operators we reviewed. Both operators and RTPA officials would like to apply these grants toward the fare-box recovery requirements. Use of grants, however, would require modification of the current law.

If fares were increased to comply with present fare-box recovery requirements, the number of persons using the services might decrease. For example, if the fares were increased to meet the current requirement, a one-way ride now costing \$.75 could cost as much as \$2.50.

Yet there are ways to supplement fare-box collections and to circumvent the fare-box requirement. Passengers may be given the fares (such as scrip) out of city grant funds. This method is employed in providing subsidized taxi services. Orange County uses Article 4 rather than Article 4.5 funding for this program. This method allows the RTPAs and the operators to serve their total transportation framework without meeting the fare-box requirements specified for services to elderly and handicapped passengers. One operator said that to avoid Article 4.5 fare-box recovery requirements, he is funding his elderly and handicapped service with federal funds.

Program administrators told us they do not object to a fixed percentage for fare-box recoveries. However, administrators stated that they need greater flexibility to achieve the fixed recovery rates. In fact, the Metropolitan Transportation Commission recommended legislative relief from fare-box recovery requirements in its Article 4.5 evaluation. It requested approval for a 10 percent fare-box recovery for all community transit services programs, including those for youth groups as well as the elderly and handicapped. The commission also suggested that programs should be allotted two years to become operational before fare-box recovery requirements are imposed.

Marketing Programs

Article 4.5 requires operators to have adequate marketing programs. We found that although most operators proposed marketing programs, few actually carried them out. Operators said that the initial demand for the services was beyond the level which could be provided. Therefore, marketing would only create expectations within the community which could not be met.

Performance Measures

Public Utilities Code Section 99279 directed the Auditor General to consider five specific performance measures for operators under the Community Transit Services Program. These measures are:

- Operating cost per passenger
- Operating cost per vehicle service hour
- Passengers per vehicle service hour
- Passengers per vehicle service mile
- Vehicle hours per employee.

Our analysis of the four regions participating in the Community Transit Services Program revealed a wide range of performance. This range is seen clearly in Table 2, where we present figures for the first three performance measures.

TABLE 2

COMMUNITY TRANSIT SERVICES PROGRAM
SELECTED OPERATOR PERFORMANCE MEASURES
FOR FISCAL YEAR 1979-80^a

Operating Cost per Passenger

<u>Subsidized Taxi</u>		<u>Wheelchair Van^b</u>	
San Jose	\$7.93	San Diego WHEELS	\$23.85
San Diego	\$4.33	San Mateo	\$12.12
San Leandro	\$2.79		
Los Gatos	\$2.08		

Operating Cost per Vehicle Service Hour

<u>Subsidized Taxi</u>		<u>Wheelchair Van^b</u>	
San Jose	\$23.55	San Jose	\$29.31
Fremont	\$15.07	San Mateo	\$20.14
Los Gatos	\$13.13	Alameda	\$14.63
Berkeley	\$ 6.00	El Cerrito	\$ 5.94
Oakland	\$ 4.52		

Passengers per Vehicle Service Hour

<u>Subsidized Taxi</u>		<u>Wheelchair Van^b</u>	
Richmond	\$7.00	San Diego Handytrans	\$3.46
Fremont	\$4.37	Pomona	\$2.85
San Diego	\$3.31		
Downey	\$2.67		

^a Appendix A includes additional performance measures for all regions studied.

^b Approximately 50 percent of the Community Transit Services Program providers use specially equipped vans.

These performance measures may be used to monitor operators' progress over time. Meaningful comparisons of these figures are limited by the size of the area served, the density of the population, the length of the routes traveled, the cost and the types of services available, the service volume, and

hours of operation. Therefore, direct comparisons of operators' measures have limited value and should be used with caution. Other regional considerations also affect these measures. For example, in some areas competitive bidding cannot be arranged because there is only one operator to serve the area. Further, start-up costs for services are higher in some areas than in others.

The ratio of operating costs to service vehicle hour varies widely depending upon the area serviced. The degree of service, number of vehicles, and operating hours all influence this performance measure.

The ratio of passengers to vehicle service hour depends upon the geography and the distance normally associated with the service. For example, the operator in Richmond--a densely populated area--carries more passengers per hour than does the operator in Fremont. Fremont is suburban and less densely populated than Richmond. Therefore, the trips in Fremont are made over longer distances and involve fewer passengers.

The performance measure passenger per vehicle service mile reflects trip distance and the number of persons served but does not provide information on the frequency of service. For example, if a vehicle like the San Jose parking shuttle

made one short trip each day, it would have a high ratio of passengers to vehicle service miles. This measure does not, however, reflect the daily overall use since the vehicle may sit idle most of the day.

The measure of vehicle hours per employee expresses a ratio of equipment to labor force. However, data obtained for this measure was questionable and incomplete.

Therefore, the performance measures cited in the law may be used to evaluate individual operators over time and to indicate areas where management emphasis may be needed. Where geography, population density, and transportation services are similar, certain comparisons may be useful. However, we believe that the program should not be standardized based upon performance indicators.

Administrative Costs

Because the law does not provide additional funds for administrative support for claimants operating or subcontracting for community transit services funds, most claimants either pay their administrative costs out of the Article 4.5 funds appropriated for services or use municipal or county funding. Twenty of the 39 claimants we reviewed provide local support to the Community Transit Services Program in addition to TDA Article 4.5 funds. Claimants would like to

have a percentage of the Article 4.5 allocation appropriated for administrative expenses since these expenses constitute a substantial part of the program.

PROGRAM CONCLUSIONS AND
MATTERS FOR LEGISLATIVE CONSIDERATION

Neither the Regional Transportation Planning Agencies nor the operators of community transit services has properly implemented the Community Transit Services Program. To ensure proper implementation of the program, the Legislature may wish to consider changing funding levels, modifying the fare-box recovery requirements, and clarifying the intent of Article 4.5 of the Transportation Development Act.

PROGRAM CONCLUSIONS

We found that the RTPAs have not adequately assessed community transit needs of the disabled; therefore, we could not determine what percentage of the total elderly and handicapped community is being served by the program. But our analysis indicates that large numbers of elderly and handicapped individuals are not being served. Further, projects funded by the RTPAs have not demonstrated the feasibility of the Community Transit Services Program during its first three years of operation, yet they have continued to fund services based upon claimant requests and past services. In addition, the RTPAs have funded ongoing programs.

Furthermore, we noted that most operators using lift-equipped vehicles cannot meet the fare-box recovery requirements. The federal Administration on Aging prohibits collection of fares on vehicles purchased with federal funds. This regulation restricts the ability of operators to recover sufficient revenues in their fare boxes to meet program requirements. Because of these problems, transportation planning officials participating in the Community Transit Services Program have requested greater flexibility in meeting fare-box requirements. The suggested modifications include requiring fare-box collections of 10 percent for all services provided under Article 4.5 of the TDA and allowing municipal grants to be included as fare-box recoveries. We also found that most operators did not market their programs as required by Article 4.5.

In examining operators' implementation of the Community Transit Services Program, we applied performance measures detailed in Section 99379 of the Public Utilities Code. Because of the variety of services provided and differences in geography and population, these performance measures are best used to monitor each operator's progress over time. Direct comparisons of operators' performance using these measures may not yield valid conclusions.

Finally, we noted that most operators finance their administrative costs by using either Article 4.5 funds or municipal or county funding.

MATTERS FOR LEGISLATIVE CONSIDERATION

Prior to determining whether to extend, to amend, or to terminate the Community Transit Services Program in 1982, the Legislature should consider the following:

Funding Levels

Because this program must compete with other transportation needs for limited TDA funds and because the actual need for these services is unknown, the Legislature should consider modifying the method of funding community transit services. Options include (1) requiring the RTPAs to use a fixed percentage of TDA funds for this service, (2) allocating a fixed funding amount for this program, or (3) requiring the RTPAs to study all unmet transit needs and to allocate TDA funds in accordance with their findings.

Fare-Box Recovery Rates

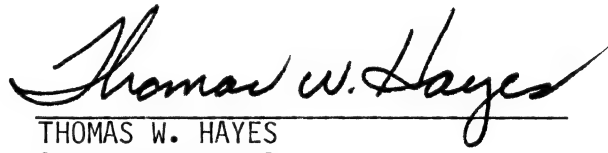
The Legislature should clarify its intent in requiring specific fare-box recovery ratios. Specifically, the Legislature should consider whether local donations or municipal funding should be allowed in calculating fare-box

recoveries and whether one fixed percentage should be applicable to all types of services within the program.

Other Considerations

There are other issues the Legislature may wish to address in the Community Transit Services Program. For example, operators can and do provide services similar to community transit services using Article 4 funds instead of Article 4.5 funds. In addition, while most services are directed to the elderly or handicapped, other groups can be served within the Community Transit Services Program. Further, Article 4.5 does not define the characteristics of elderly or handicapped persons.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: December 31, 1980

Staff: W. M. Zimmerling, CPA, Audit Manager
Robert J. Maloney
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LOS ANGELES COUNTY TRANSPORTATION COMMISSION • 311 SOUTH SPRING STREET—SUITE 1206, LOS ANGELES, CALIFORNIA 90013 • (213) 626-0370

December 19, 1980

RICK RICHMOND
EXECUTIVE DIRECTOR

Mr. Thomas W. Hayes
Office of Auditor General
925 L Street
Sacramento, California 95814

Dear Mr. Hayes:

Thank you for giving us an opportunity to review and comment on your draft report "Review of the Community Transit Service Program of the Transportation Development Act."

There is one misstatement that I would like to correct. Your description of the Commission's fiscal programming and decision making practices (pg. A-14) indicates that regular transit operators are receiving sufficient funds to "satisfy" their needs before special transit services are funded under Article 4.5. This is hardly the case since our major operator, the Southern California Rapid Transit District, has what I believe is the highest base fare of any bus operator in the State. Furthermore, estimates by SCRTD staff indicate we face the prospect of an 80¢ fare next year (up 15¢) to make up a projected deficit of approximately \$45 million with no increase in service. This static level of service is in the face of a situation on many of our bus lines where people are being passed-up by overcrowded buses. We have not had the funds needed to meet this real, on-street demand, nor hold against spiralling bus fares which affect the elderly and handicapped users of the transit system. In short, we certainly do not concur with the view that the regular transit operators' fiscal needs are being "satisfied".

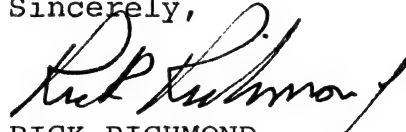
I would also like to add that the Commission responded to our critical transit needs by placing a $\frac{1}{2}\%$ sales tax measure on the ballot last November. As you are probably aware, Los Angeles County voters supported the measure with a 54 percent positive vote. Eligible uses of the revenues generated include paratransit and special transit projects.

Mr. Thomas W. Hayes
December 19, 1980
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Because of the very short response period, we have not had enough time to present your report to the Commission for review and comment. Therefore we cannot comment on your list of issues for consideration by the Legislature (pg. 2). However, at its regular meeting on May 14, 1980 the Commission did adopt a policy of allowing municipal contributions to count as fare-box collections to meet the statutory requirement for 10% farebox recovery provided they are made on a per rider subsidy basis.

I hope the above clarifying comments on our transit situation and decision-making process are helpful. If you or members of your staff have any questions, please call me or Ray Maekawa at (213) 626-0370.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rick Richmond", with a stylized flourish at the end.

RICK RICHMOND
Executive Director

RKM:es



Metropolitan Transportation Commission

December 18, 1980

Commissioners

Alameda County

JOSEPH P. BORT

ILENE WEINREB

Contra Costa County

RICHARD LAPOINTE

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GEORGE EILLMAN

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Sacramento, CA 95814

Dear Mr. Hayes:

We appreciate the opportunity to review and comment on your draft report, "Review of the Community Transit Services Program of the Transportation Development Act." As your report indicates, MTC has completed a similar evaluation for the Bay Area - "Evaluation of the TDA Article 4.5 Program," dated March 1980. The results of our evaluation led to several key recommendations, most of which, we are pleased to note, are also included in your report.

In general, Bay Area CTS communities and MTC are optimistic about this important program and would urge the legislature to make CTS a permanent part of TDA funding. Substantial progress is being made in many Bay Area CTS programs. High start-up costs are leveling off, ridership is increasing, many programs have achieved more than a 20% farebox recovery ratio, and over three dozen CTS communities are providing additional mobility for many people unable to use conventional forms of transit.

MTC staff reorganization also underscores the regional commitment to help provide transit service for this important segment of our population. I have recently expanded staff services in this area from two to five employees with a senior analyst leading the group.

The MTC has adopted the recommendations contained in the Bay Area evaluation and I would like to emphasize the following key areas.

- Farebox Recovery - The Commission would request that the legislature modify current CTS language to require a flat 10% farebox recovery for all CTS projects. It is also requested that the legislature provide a two-year grace period at the start of a project before implementing the farebox requirement. Full discussion of the farebox issue is contained in the MTC evaluation.

- Marketing - We believe the marketing requirement is excessive for such small projects and since demand is greater than service provided, marketing is not normally needed and should be deleted as a requirement. Local discretion can be used to provide marketing when it is judged useful.
- Administrative Costs - We found administrative costs to be high in several programs and we believe service on the street needs to be maximized. Therefore, we recommend that administrative costs be limited to 15% of total operating costs.

We do have one major disagreement with your report findings. You state that "no RTPA has adequately assessed the transit needs of the disabled and therefore, have not measured the feasibility of the programs to meet those needs." On the contrary, in the Bay Area we have taken several actions to determine "unmet transit needs." The 1978 Crain and Associates, "Special Transit Needs Study" did make a first attempt at documenting transit needs not only of the elderly and handicapped but of the poor as well.* In addition, county-wide Paratransit Coordinating Councils have been formed to continuously reassess community special transit needs and recommend "high priority" projects for CTS funding. We would also point out that the disabled are not the only transit dependent and/or disadvantaged groups in a community and our program attempts to take the broader view in defining needs.

In conclusion, the 400,000 trips provided by CTS in the Bay Area in FY 1979-80 represented a significant improvement in addressing the needs of people unable to utilize more conventional modes of transit and we would repeat that the CTS program should become a permanent part of the TDA.

Thank you again for this opportunity to comment.

Sincerely,



Lawrence D. Dahms
Executive Director

LDD/jh

* Auditor General Comment: On December 23, 1980 we contacted Crain and Associates and Mr. Dahms for clarification. A representative for Crain and Associates stated that they did not perform such a study. The only study they did for MTC was in 1973 and was an inventory of existing services. Mr. Dahms agreed that the facts presented in the above paragraph are erroneous but said that he still believes that MTC has adequately assessed the need for community transit services.



ORANGE COUNTY TRANSPORTATION COMMISSION

1020 North Broadway, Suite 300 Santa Ana, California 92701
(714) 834-7581

Commissioners
Al Hollinden
Ralph B. Clark
Zika Djokovich
Thomas F. Riley
Bill Vardoulis
Heinz Heckeroth

December 29, 1980

Thomas W. Hayes
Auditor General
Office of the Auditor General
925 "L" Street, Suite 750
Sacramento, California 95814

Dear Mr. Hayes:

Thank you for the opportunity to comment on the draft report, "Review of the Community Transit Services Program of the Transportation Development Act", prepared by the Office of the Auditor General. As you are aware, Orange County does not participate in the Article 4.5 Program but instead funds its community transit services with monies authorized by Article 4 of the Transportation Development Act. Although the contents of this report do not directly apply to Orange County, the Commission is pleased to provide a few brief comments on specific issues discussed in the report.

Below I have summarized several specific issues presented in the "Review of the Community Transit Services Program of the Transportation Development Act" draft report and included applicable comments following the discussion of each issue.

Determination of Transportation Needs

The draft report states that the demand for community transit services far exceeds the available supply. The report also states that RTPA's are approving claims for programs that do not demonstrate their effectiveness in meeting transit needs.

Comment:

The Commission concurs with the fact that the demand for community transit services exceeds supply, however, given the limited amount of resources available for community transit services, it would

It would appear that the current fare-box recovery requirement creates a disincentive for providing an increased level of community transit services. Operators who cannot meet the current fare-box requirements are forced to cut back service in order to reduce costs or raise fares to a point that persons currently using the service could no longer afford to do so. Both of these situations appear to be contributing factors to what the report refers to as the unmet demand for community transit services.

As a final comment, the Commission believes that an analysis of some of the unmet transit needs and especially social service transportation needs mentioned in the draft report will be addressed in the work currently being performed throughout the state in accordance with the requirements of the Social Service Transportation Improvement Act (AB 120). The inventory phase of this work is near completion in Orange County and should provide valuable data to the Commission that will significantly enhance the decision making process regarding the demand for community transit services in Orange County. It is hoped that similar results can be achieved throughout the state.

If I can be of further assistance, please let me know.

Sincerely,



Thomas L. Jenkins
Executive Director

TLJ/JSK/sg

Sacramento Regional Area Planning Commission



Suite 300, 800 "H" Street, Sacramento, California 95814
(Mailing Address: P.O. Box 808, Sacramento, California 95804)
(916) 441-5930

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December 19, 1980

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City of Wheatland

Mr. Thomas W. Hayes
Auditor General
925 L Street, Suite 750
Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for the opportunity to review your draft report, "A Review of the Community Transit Services Program of the Transportation Development Act." We have found that the process of early review and comment allows an opportunity to clear up any errors or misunderstandings of facts that may exist in the draft report. Although this can be a time consuming process, we have found that the improved quality of the end product is well worth the time invested. In our review we have found that neither Regional Transit or Paratransit, Inc., the claimant and operating agencies for the 4.5 program have received copies to review. We feel that these agencies could provide a positive contribution to the review of this report.

In general, the report, which reviews in the Sacramento Area the important and sometimes sensitive program area of elderly and handicapped transit services, seems to have taken a negative rather than a positive approach in its review of the 4.5 program. In several areas, such as marketing and needs assessment, statements are made about operators or RTPA's not sufficiently or adequately addressing the requirements of the 4.5 program. The report does not provide either the analyses or criteria which were used in making these judgements.

Outlined below are specific comments on the report:

Page 1. The general statement that neither the RTPA's or operators have met the requirements of the 4.5 program has not been adequately supported by analysis or the evaluation criteria on which the judgement was made. The guidelines outlined in the statutes are fairly broad and this report does not clearly state the "facts" on which conclusions are based.

Page 4. Article 8 funds may also be used to contract for transit service.

Page 6. Transit districts may also sub-contract service with private non-profit corporations.

Page 7. The discussion of the survey process would be improved by the inclusion of copies of the questionnaires as an appendix.

Page 9. As stated above, the criteria for determining the sufficiency of the marketing program have not clearly been spelled out.

Page 12 & 13. The statement regarding the adequacy of the needs assessment does not include any criteria or measure. The Department of Commerce model, like most models, can only make estimates based on some national statistics or prevalence rates. In 1976, our agency prepared estimates of handicapped persons based on the National Health Interview Survey prevalence rates applied to local population estimates. Our experience with the inadequacy of this type of estimate has led us to look unfavorably on estimates derived through this kind of model. The approach used by our operators of sign up lists to request service probably provides a more accurate estimate of actual need.

Page 14 & 15. In 1977/78, funds were provided to support the CareFul Coach program which was started in March of 1976 but was interrupted by the 45 day RT strike in April and May of 1976. This interruption of the new service led to an initial judgement that CareFul Coach was a "new" service under the definition. In 1978/79 and 1979/80, any 4.5 money used for CareFul Coach was for new and expanded service.

Page 23. The statements on this page do not appear to be fully supported by criteria and analyses. The law does not specify that we make an assessment of the total elderly and handicapped needs; the 4.5 program is not specifically or exclusively for elderly and handicapped services. The only judgement that is required is if the service is meeting a need not currently being met.

Page A 21 & A 22. The report does not immediately make clear the fact that RT operates its own CareFul Coach service and contracts with Paratransit, Inc. for additional services. Also, Paratransit, Inc. does not submit claims for 4.5 directly; RT files the claims and contracts with Paratransit, Inc. for service. The claims filed with SRAPC specify each year the amount of service to be provided by CareFul Coach and Paratransit, Inc.

Page A 23. CareFul Coach started service in March 1976, not 1974. SRAPC did not solicit proposals with RT; RT did this themselves.

Page A 24. As stated above, the Commission has conducted several efforts in determining elderly and handicapped transit needs, including analysis of the 1975 census, an estimate of the handicapped population in 1976 and an inventory of paratransit operations in the Sacramento Region in 1976.

Mr. Thomas W. Hayes
Auditor General

-3-

December 19, 1980

Regarding marketing, it was the judgement of SRAPC, RT and Paratransit, Inc. staff that an extensive marketing program would be inappropriate because of the extensive list of clients who had already requested service but could not be served. A list of 3,000+ persons had registered for service and only an estimated 800 to 1200 were being served. Paratransit, Inc. and RT recently updated this waiting list of clients to provide a more current estimate of needs. As additional funds become available, a greater effort will be expended in marketing the special services.

Page A 25. The costs and fare-box recovery data on this page are not completely accurate. As stated in the report, we are working with a consultant to determine the exact operating costs for both CareFul Coach and Paratransit, Inc. The \$264,573 operating cost for RT reflects direct operating costs only; there are additional administrative costs which should also be included. The \$266,338 is not correct; the audited financial statement of P.I. for 1979/80 indicates that they had operating expenses totaling \$536,767. The consultant report on P.I. and CareFul Coach will be available in early January 1981.

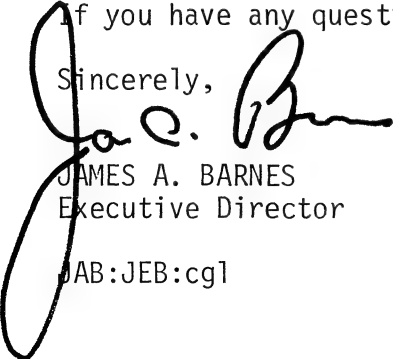
Page A 26. RT, SRAPC, selected Paratransit, Inc. through a competitive bidding process.

We realize that this study dealt with a very complex program and, in the case of the Sacramento area, was hampered by the lack of agreed upon operating costs and statistics. This has been a sensitive program area in Sacramento over the past few years and the Commission has, and is, working closely with both Regional Transit and Paratransit, Inc. to improve services to the elderly and handicapped community. The performance audits and comparative analysis of CareFul Coach and Paratransit, Inc. services which will be available shortly will help improve the understanding and coordination of these services. In the next several months, the Commission will also be working with RT and P.I. through the AB-120 process to designate the appropriate coordination approach for the Sacramento area.

The 4.5 program has provided the funds and the mechanism to improve elderly and handicapped services in the Sacramento area. The work currently under way and the AB 120 designation process will provide the framework for decision making and provision of service for the next several years. Based on our experience, we feel that the 4.5 program as implemented in the Sacramento area has been a real benefit to the community and has provided for necessary services.

If you have any questions, please call me or Jim Brown at 441-5930.

Sincerely,



JAMES A. BARNES
Executive Director

JAB:JEB:cgl



**COMPREHENSIVE
PLANNING ORGANIZATION**

Suite 524, Security Pacific Plaza
1200 Third Avenue
San Diego, California 92101
(714) 236-5300

December 17, 1980

Mr. Thomas Hayes
Auditor General
925 L Street, Suite 750
Sacramento, CA 95814

Attention: Jack Schmidt

Dear Mr. Hayes:

We have reviewed your draft report "Review of the Community Transit Services Program of the Transportation Development Act." SANDAG (formerly CPO) concurs with the matters recommended for legislative consideration brought out in the report. Of particular interest to SANDAG are the suggestions to obtain clarification of the legislative intent of the program and to allow greater flexibility in the farebox recovery requirements as applied to Article 4.5 claimants. Several more specific comments intended to clarify various sections of the report as applied to San Diego follow.

In numerous references throughout the report it is stated that RTPA's did not determine the transit needs of the elderly and handicapped population. However, in the discussion of the San Diego region in Appendix A, the study of elderly and handicapped transportation needs developed by SANDAG (then CPO) is described in some detail and is referred to as the most accurate assessment of needs by any region analyzed. This study, entitled "Study of Improved Transit Services for Handicapped and Elderly," dated October, 1976, was used to provide the initial needs assessment in relation to the Article 4.5 program. We feel that the point should be made in the body of the report as well that at least one RTPA did perform a needs assessment which was reasonably accurate if somewhat dated.

The operating data contained in Appendix A, specifically Exhibits 6, 7, and 8, relating to the four Article 4.5 claimants in the San Diego region appear to have been derived from data submitted as part of the FY81 TDA claim submittals, although the reference is not cited. The FY80 data contained in the claim documents were projections, not actual year-end data. The attached table presents information for the four claimants obtained from year-end reports submitted to SANDAG by the claimants. Either the data in the report should be clearly labeled as estimated data with the source identified, or the data should be revised to reflect more accurate year-end data in all applicable tables and text references.

Mr. Thomas Hayes
December 17, 1980

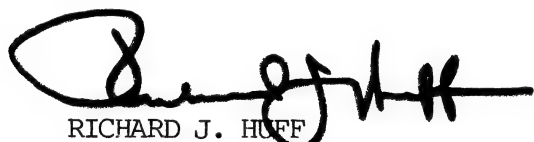
Page 2

On pages 11 and A-28, the presentation of the amount of Article 4.5 claims in FY80 is not quite accurate. In FY80, \$1,170,472 was made available for Article 4.5 purposes out of a total of \$26,000,000 in TDA funds available (County Auditor's FY80 estimate). Of the \$1,170,472 available, claims were made and approved in the amount of \$1,029,632 originally. Since that time the claim for Lifeline was reduced by \$14,007 as a result of the FY80 fiscal audit. Additional claim reductions are anticipated once the audits are finalized for the remaining three claimants. On pages 11 and A-28, it is stated that the surpluses were due to over-estimations of patronage. While initial patronage estimates were high, a major reason for the over-estimates and the primary reason for the surpluses was that three of the four systems did not begin operation until well into FY80. For this reason, actual statistics and costs for six-to-nine months of service are significantly less than the estimates based on a full year of service. The FY80 claims as they stand to date are as follows:

City of San Diego -	\$ 564,062
Handytrans -	\$ 141,920
WHEELS -	\$ 140,500
Lifeline -	\$ 169,143
Total Claims	<u>\$1,015,625</u>
Carry-Over	<u>\$ 154,847</u>
FY80 Total Available	<u>\$1,170,472</u>

On the whole, the report's findings and conclusions lead to valuable suggestions for improvements to the Article 4.5 program. We appreciate the opportunity to comment on the report. If you have any questions regarding our comments, please contact me, or have your staff contact Craig Scott of our staff at (714) 236-5300.

Sincerely,



RICHARD J. HUFF
Executive Director

RJH:CS:rw

Enclosure

SAN DIEGO COMMUNITY TRANSIT SERVICE PROGRAMS
FY80 STATISTICS*

<u>Statistic</u>	<u>San Diego Dial-A-Ride</u>	<u>Handytrans</u>	<u>WHEELS</u>	<u>Lifeline</u>
Operating Cost	\$595,048	\$107,691	\$121,423	\$83,938
Fare Revenue	\$ 43,810	\$ 7,662	\$ 4,703	\$ 2,347
Revenue Miles	391,086	43,507	61,353	31,214**
Revenue Passengers	127,046	11,265	5,833	6,184
Cost per Passenger	\$4.68	\$9.56	\$20.82	\$13.57
Cost per Mile	\$1.52	\$2.48	\$1.98	\$2.69
Passengers per Mile	.32	.26	.10	.20
Farebox Recovery	7.4%	7.1%	3.9%	2.8%

*Statistics obtained from FY80 year-end reports submitted by the claimants to SANDAG. Only the financial statistics for Lifeline have been audited to date.

**Estimated - data not available for first three months of operation.

Auditor General Note: Page A-33 of the final report has been revised to reflect this final data which was unavailable during the audit.



600 South Commonwealth Avenue • Suite 1000 • Los Angeles • California • 90005 • 213/385-1000

December 22, 1980

Mr. Thomas W. Hayes
Auditor General
925 L Street
Sacramento, California 95814

Attention: Mr. M. W. Zimmerling

Dear Mr. Hayes:

Although the time allotted for agencies to review and comment on your report, "Review of the Community Transit Services Program of the Transportation Development Act", was insufficient to permit an in-depth analysis, SCAG would like to transmit the following comments for inclusion in the final report:

1. SCAG believes that Article 4.5, which supports transportation services connecting intercommunity origins and destinations, including services for those such as the disabled, who cannot use conventional transit service (P.U.C. Section 99275), is a good program that provides a necessary service. This program should be continued.
2. With respect to financing, SCAG does not believe that a fixed percentage of TDA funds should be required, but rather a percentage cap with no minimum level, as is currently the practice. Appropriating a fixed amount of dollars for the program would not respond to inflation or need and therefore should not be considered.

SCAG does agree that a mandatory "unmet needs that can be reasonably be met" hearing should be required in all eligible RTPA's, and that TDA funds not to exceed the 5% cap should be allocated accordingly.

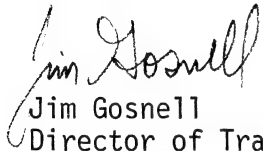
3. Farebox recovery for elderly and handicapped persons should be reduced to no more than 5%. Ratio percentages should not be set at a fixed rate for all types of services within the program, but rather should remain greater for the more conventional non E&H intercommunity trips.

Mr. Thomas W. Hayes
December 22, 1980
page 2

4. Municipal contributions and subsidies should be permitted and included in farebox collections. This is current practice, on a per passenger basis, in many places that is backed with strong community support.
5. We agree that the intent of Article 4.5 of the Transportation Development Act needs to be clarified. Although we support your contention in the first paragraph of your summary on page (1) which says "the program provides transportation services connecting inter-community origins and destinations primarily for elderly and handicapped persons", it appears that this is not an accurate reflection of P.U.C. Section 99275.

We hope that these comments will be useful to you in the final draft of the report. If you have any questions or would like to discuss our suggestions further, please contact Ginger Gherardi at (213) 385-1000.

Sincerely,



Jim Gosnell
Director of Transportation
Planning

JG:GG:hd

REGIONAL ANALYSES

The following sections address the activities of each region eligible to participate in the Community Transit Services Program. These activities include the administration of each Regional Transportation Planning agency (RTPA), program costs, and the status of each region's Community Transit Services Program. The regions are presented as follows:

<u>Region</u>	<u>Page</u>
Bay Area	A-2
Alameda County	
Contra Costa County	
San Francisco County	
San Mateo County	
Santa Clara County	
Los Angeles County	A-13
Sacramento County	A-21
San Diego County	A-28
Orange County	A-39

BAY AREA

Program Description

In fiscal year 1979-80, five Bay Area counties--Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara--were eligible for and participated in the Community Transit Services Program. In 1979, under the Community Transit Services Program, 29 of the 31 Bay Area claimants provided transit services with allocations amounting to \$2,867,443. Services are provided by subsidized taxi programs, lift-equipped van programs, and fixed-route parking shuttle services. In addition, TDA funds were used to establish paratransit coordinating councils in each participating county. These councils represent the elderly and handicapped, minority and low-income groups, paratransit users, and members of the community. The councils assist the Metropolitan Transportation Commission (MTC) in the administration of the Community Transit Services Program.

Policies and Procedures

The Metropolitan Transportation Commission is a statutorily formed regional transportation planning agency which is responsible for overseeing transportation activities in the nine Bay Area counties. The MTC has the primary responsibility of allocating funds and administering the Community Transit Services Program in the five participating

counties. In March 1980, the MTC published an evaluation of the program documenting its history, providing pertinent information on its costs and level of service, and making a series of findings and recommendations.

The Metropolitan Transportation Commission allocates the maximum allowable 5 percent of TDA monies for Article 4.5 purposes. The basis for this allocation, according to the Executive Director of the MTC, is that elderly and handicapped persons form a substantial portion of the Bay Area population and the MTC considers it a social and community obligation to provide them with as much transportation service as the law allows. We estimated that, in the five eligible Bay Area counties, the elderly population totaled approximately 557,000 and the handicapped population totaled 250,000. More operators participate in this program in the Bay Area than elsewhere in the State.

The Metropolitan Transportation Commission has been instrumental in developing paratransit coordinating councils within each county eligible for Article 4.5 allocations. These councils determine intracounty transportation needs of the elderly and handicapped. The councils make recommendations to the MTC on claimant budgets and on the coordination and the priority of service to meet the needs of the elderly and handicapped. Allocations for paratransit coordinating councils were \$250,000 in fiscal year 1979-80 and approximately \$153,000 in fiscal year 1980-81.

Program Costs

The following exhibit from the MTC evaluation of the Community Transit Services Program shows allocations for fiscal year 1979-80.

EXHIBIT 1

BAY AREA TDA ARTICLE 4.5 ALLOCATIONS
FISCAL YEAR 1979-80

<u>Recipient</u>	<u>Amount</u>
<u>Alameda County</u>	\$ 338,038
City of Alameda	45,018
City of Albany	9,081
City of Berkeley	66,753
City of Emeryville	2,596
City of Fremont (with Union City and Newark)	109,268
City of Hayward	104,321
City of Oakland	278,749
City of San Leandro	<u>50,100</u>
County Total	<u>\$1,027,244</u>
<u>Contra Costa County</u>	\$ 50,000
City of El Cerrito	11,936
City of Lafayette (with Moraga)	22,455
City of Martinez	21,630
City of Richmond (with San Pablo)	<u>131,746</u>
County Total	<u>\$ 237,767</u>
<u>Marin County^a</u>	<u>\$ 50,000</u>
<u>San Francisco County</u>	<u>\$ 128,000</u>
<u>San Mateo County (SAMTRANS)</u>	<u>\$ 399,840</u>
<u>Santa Clara County</u>	\$ -0-
City of Campbell	28,000
City of Cupertino	19,070
City of Los Gatos	73,164
City of Milpitas	16,767
City of Mt. View (with Los Altos)	80,390
City of Palo Alto	76,000
City of San Jose	573,000
City of Santa Clara	75,349
City of Sunnyvale	<u>82,852</u>
County Total	<u>\$1,024,592</u>
Grand Total	<u><u>\$2,867,443</u></u>

^a Marin was funded but funds were withdrawn due to ineligibility.

Source: MTC's Evaluation of the TDA Article 4.5 Program,
March 1980.

Program Status

The Metropolitan Transportation Commission stated in its evaluation of the Community Transit Services Program that it "did not look in depth at the unmet transit needs in the various CTS [Community Transit Services] communities." Although census data were analyzed prior to the first year of funding and reporting data from claimants were used during the first year of the program to determine service needs, officials at the MTC agreed that the numbers of persons in the region requiring community transit service is not known. Even though paratransit coordinating councils assess the needs of those requiring community transit services, the total population requiring service and the unmet needs are, at this time, not known. Commission officials estimate that between 5 and 10 percent of the elderly and handicapped population are being served.

Marketing

In its evaluation of the Community Transit Services Program, the MTC commented upon marketing activities:

MTC has generally left marketing to the discretion of CTS [Community Transit Services] recipients. In many cases, marketing has not been needed, since demand has greatly exceeded service provided. In addition, small operations such as these do

not have the personnel and often lack the expertise to devise and implement an effective marketing program. Yet, marketing effort is often critical to a more effective transit operation and the TDA requires MTC to find that a claimant has a marketing effort before funds can be allocated.

The MTC recommended in its evaluation that "this requirement is excessive and should be deleted."

The MTC said that some operators were not marketing their programs. Yet, an MTC official said that operators were already oversubscribed and could not satisfy the increased demand. Despite this, the failure to market the program may tend to limit the service to those who have already used it.

Fare-Box Recovery Rates

The amount of operational costs operators recovered in fare boxes ranged from 1.1 to 23 percent in the Bay Area, as shown in Exhibit 2 below.

EXHIBIT 2

BAY AREA FARE-BOX RECOVERY RATES FISCAL YEAR 1979-80^a

<u>Location of Service</u>	<u>Fare-Box Recovery Rates</u>	
	<u>Elderly and Handicapped Services^b</u>	<u>Other Community Transit Services^c</u>
<u>Alameda County</u>		
San Leandro	22.1%	
Fremont (taxi)	19.8%	
Fremont (medical)	10.1%	
Fremont (van)	1.1%	
Hayward (van)	12.2%	
Hayward (taxi)		19.9%
Alameda County	11.0%	
Alameda County (North) (van)	6.5%	
Oakland (van)	4.3%	
Oakland (taxi)	7.8%	
Berkeley (taxi)		17.7%
Albany (van)	4.5%	
Emeryville (taxi)	18.2%	
<u>Contra Costa County</u>		
El Cerrito (van)	17.9%	
Richmond (taxi)	13.1%	
Richmond (van)	15.0%	
<u>San Francisco County</u>		
	16.6%	
<u>San Mateo County</u>		
	2.0%	
<u>Santa Clara County</u>		
Sunnyvale (taxi)		23.0%
Los Gatos (taxi)	21.0%	
San Jose (van)	8.1%	
San Jose (taxi)		6.4%
San Jose (shuttle)		15.5%
Santa Clara (taxi)	7.0%	
Campbell (taxi)		10.4%

^a Except for Albany, Oakland (van), Emeryville (taxi), Richmond (van), and San Francisco, all fare-box recovery percentage figures were obtained from the MTC's evaluation of the program.

^b Article 4.5 requires that 10 percent of operational costs are recovered in fare boxes for programs that exclusively serve the elderly and handicapped starting in fiscal year 1980-81.

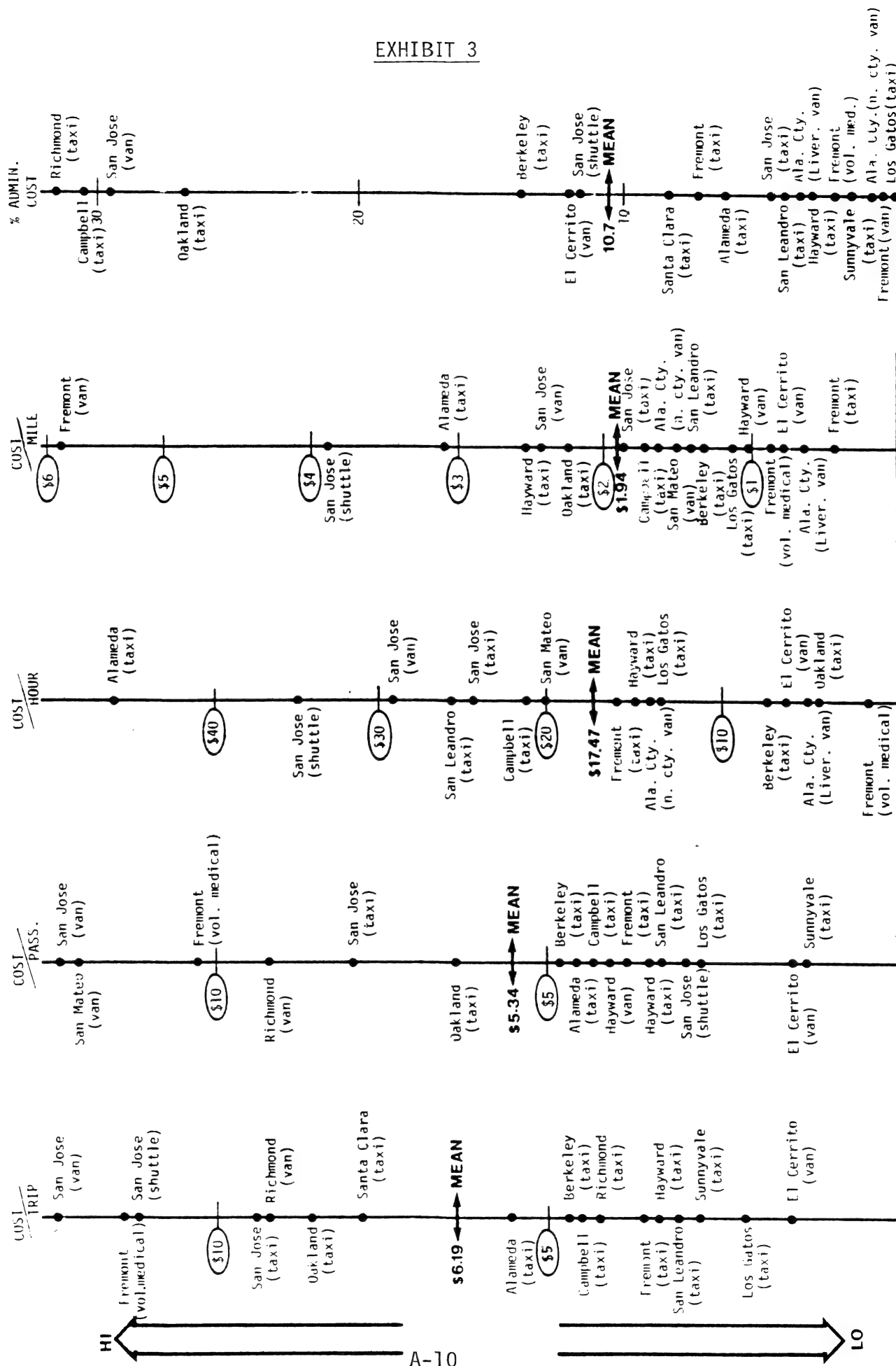
^c Article 4.5 requires that 20 percent of operational costs are recovered in fare boxes for programs that serve the elderly, handicapped, and other groups such as youths starting in fiscal year 1980-81.

The Metropolitan Transportation Commission believes that community transit services should be provided for groups such as youth and low-income persons who cannot use established fixed-route systems as well as for the elderly and handicapped. Because Article 4.5 requires a fare-box recovery of at least 20 percent if these additional groups are served, the MTC recommended that legislative modifications be made to allow a 10 percent recovery for all community transit services.

Operator Performance Measures

As shown below, the performance indicators for community transit services provided within the MTC varied extensively. The indicators differ due to types of service, clientele, and geography.

EXHIBIT 3



Source: Metropolitan Transportation Commission, Evaluation of the TDA Article 4.5 Program, March 1980.

Regional Summary

Five Bay Area counties and the MTC are involved in the Community Transit Services Program. The MTC is managing the program to serve the elderly and handicapped as well as other disadvantaged groups by providing intracommunity transit services. The commission's past evaluations of claimants have been hampered by the insufficiency or lack of data. Its future evaluation efforts, however, will be based upon revised reporting requirements and augmented staff and should result in more meaningful information. Based upon its evaluations, the commission has recommended that

- The Community Transit Services Program recipients serve special trips outside of their city limits;
- The 10 percent fare-box recovery requirement for all Article 4.5 services for fiscal year 1980-81 be maintained;
- Local funding services be used to achieve required fare-box recovery rates;
- The marketing requirements specified by Article 4.5 be eliminated;
- Administrative costs not exceed more than 15 percent of total operating costs after the first year of program operation; and

- The MTC staff continue to assist county paratransit coordinating councils to improve development and coordination and to set priorities within the Community Transit Services Program.

LOS ANGELES COUNTY

Program Description

In fiscal year 1979-80, Los Angeles County funded 19 community transit service projects under the Article 4.5 program. These projects provide services in most of Los Angeles County except for the part of the county which is eligible for funding under Article 8.

Four principal types of paratransit services are being provided through the Community Transit Services Program: (1) municipalities operating vans and/or sedans through private nonprofit organizations; (2) municipalities purchasing services through direct subsidies with taxi companies; (3) municipalities contracting with taxi companies for subsidized trips using scrip or coupons; and (4) municipalities operating vans and/or sedans through a public social service agency. Services provided under the program include subsidized taxi, wheelchair vans, and fixed-route vans.

Some of the community transit services in Los Angeles became operational in 1978. Currently, the program serves most of Los Angeles County, including 7 projects operating in the City of Los Angeles. For fiscal year 1979-80, allocations to the program amounted to \$1,186,000 for the 19 projects, a level that constitutes approximately one percent of the total allocated TDA funds in the county.

Policies and Procedures

The Southern California Association of Governments (SCAG) is responsible for the Article 4.5 services in Los Angeles County. The SCAG approves funding of the services based upon staff analysis and recommendations made by the Los Angeles County Transportation Commission (LACTC). Claims for Article 4.5 services are submitted to the LACTC by claimants within the county. Each claim is reviewed by the LACTC staff, which makes recommendations for funding to the full commission.

To enact the Community Transit Services Program in Los Angeles, the LACTC created a task force to evaluate new projects. Each project was graded using innovativeness, nonduplicative services, and unmet needs as factors. Under the current method of evaluating claims for Article 4.5 funds, the claimants provide the LACTC with information on the types of services to be operated, a projection of patrons, the service parameters, and an estimate of revenues. Based upon the data provided, the LACTC funds claimant requests after a review of past performance.

The law requires each Regional Transportation Planning Agency to evaluate their community transit services programs based upon these factors: (1) whether the program demonstrates the feasibility of service; (2) whether the program is adequately marketed; and (3) whether the need for

service is determined. Although the LACTC has evaluated the program, it has not evaluated the program from a demonstration standpoint. The LACTC believes that because Senate Bill 620 extended the Community Transit Services Program through fiscal year 1981-82, it is no longer a demonstration program. Marketing programs have not been instituted by many operators since the demand for service is overwhelming.

Program Costs

Although up to 5 percent of TDA monies may be allocated for community transit services, the LACTC allocated approximately one percent (\$1,186,000) in fiscal year 1979-80. Approximately 1.6 percent of TDA funds, including additional monies from the previous year, will be available for the program for 1980-81. This funding level was based upon a decision to satisfy regular transit operators' needs before addressing the Community Transit Services Program.

The Community Transit Services Program in Los Angeles County was supplemented by \$322,779 from Transportation Planning and Development Account funds. The supplemental funds were allocated as follows: City of Bellflower, \$30,000; City of Buena Park, \$20,000; City of Culver City, \$10,000; City of Gardena, \$4,500; City of Hawaiian Gardens, \$21,000; City of Long Beach, \$123,390; City of Lynwood, \$38,944; City of South El Monte, \$20,945; and City of Torrance, \$54,000. The

LACTC claimed that an additional \$647,000 was used in six cities to provide elderly and handicapped services through fixed-route operator services.

Program Status

The Los Angeles County Transportation Commission has not determined what percentage of the elderly and handicapped population is currently being served by the program. Based upon county-wide census data, the LACTC estimates that the transportationally handicapped population totals 140,000. The LACTC further estimates that 550,800 elderly and handicapped persons are not transportationally handicapped. We estimate that there are approximately 998,000 elderly and 449,000 handicapped persons in Los Angeles County. Further, evaluations by the LACTC have not analyzed the cost-effectiveness of services provided by the Community Transit Services Program.

Marketing

Many operators have not provided descriptions of specific marketing activities to the LACTC. Marketing programs have been limited because the demand is overwhelming and claimants feel that monies spent for marketing could be better used by providing service.

Fare-Box Recovery Rates

In Los Angeles County, fare-box recovery rates pose a problem. The law mandates a 10 percent fare-box recovery rate for services to the elderly and handicapped and a 20 percent recovery rate for services to other than elderly and handicapped commencing in fiscal year 1980-81. The LACTC estimates that only two Article 4.5 projects are meeting required fare-box recovery rates. The following exhibit shows fare-box recovery rates for projects in Los Angeles County for fiscal year 1979-80 as reported by the LACTC.

EXHIBIT 4

LOS ANGELES COUNTY COMMUNITY TRANSIT SERVICES FARE-BOX RECOVERY RATES FISCAL YEAR 1979-80

<u>Operator</u>	<u>Cash Fare-Box Recovery Percentage of Operational Costs</u>
City of Los Angeles	4
Pomona Valley	4
El Monte	8
Glendora	3.5
Monterey Park	5
Downey	8
Lynwood	10
Compton	7
Hawaiian Gardens	21
Lomita	8
Redondo Beach	6

Under Article 4.5, those operators providing vans equipped with wheelchair lifts have difficulty achieving required fare-box recovery rates. Subsidized taxi services achieve higher fare-box recovery rates. The LACTC officials are concerned that the stringent fare-box recovery requirements contained in the law may further reduce the level of service under the Community Transit Services Program unless some relief is provided. The LACTC supports allowing supplemental funding to achieve the required 10 percent rate. This alternative is considered necessary since some operators can only collect "donations" for service if they are partially funded under the federal Older Americans Act. The Federal Administration on Aging regulations prohibit charging fares for any programs for the elderly that the administration funds.

Operator Performance Indicators

The LACTC calculated four ratio performance measures for fiscal year 1979-80 for the program operators. These working statistics are presented in Exhibit 5 and show approximated dollar costs for each performance factor. This information was not available for all the claimants in Los Angeles County and was not included in that county's analysis of the transit program.

EXHIBIT 5

LOS ANGELES PERFORMANCE MEASURES
FISCAL YEAR 1979-80

<u>Claimant</u>	<u>Ratios</u>			
	<u>Cost per Rider</u>	<u>Cost per Vehicle Hour</u>	<u>Cost per Vehicle Mile</u>	<u>Riders per Hour</u>
City of Los Angeles				
Harbor	\$2.06	\$11.80	\$1.41	5.71
Venice	\$6.32	\$10.15	\$.87	1.60
Beverly Fairfax	\$5.96	\$13.15	\$1.03	2.20
County of Los Angeles	\$8.69	\$18.42	\$2.19	2.12
Pomona Valley	\$5.90	\$16.83	\$1.38	2.85
Glendora	\$2.99	\$10.99	\$1.09	3.67
El Monte	\$10.92	\$25.73	\$1.61	2.36
Monterey Park	\$9.08	\$ 9.78	\$1.21	1.08
Downey	\$3.00	\$ 8.02	\$.88	2.67

Differences in costs between claimants can be due to the type of service offered (for example, wheelchair van versus subsidized taxi), geographical area, or density of population. Thus, these performance measures may be used to evaluate each operator over time but should not be used to compare operators' performance.

Regional Summary

Los Angeles County uses the lowest percentage of available TDA funds (approximately one percent in fiscal year 1979-80) for community transit services of any participating county in the State. The LACTC believes there is a critical need to allocate TDA funds to support regular transit operators before addressing the needs of the Community Transit Services Program. Thus, the LACTC allocated the smallest percentage of its TDA funds to community transit services. The LACTC reports that Article 4.5 projects appear to be achieving their objectives and that nonperformance is not an issue. The LACTC is currently devoting more staff to the Community Transit Services Program in an attempt to evaluate the levels of service, areas serviced, and the types of services. In addition, the commission has begun a study to provide additional information on the mobility needs within Los Angeles County.

In addition, we found that the Article 4.5 recommended budget levels for fiscal year 1980-81 are being held as close as possible to fiscal year 1979-80 levels. The LACTC is also considering restricting this program to serve only the elderly and handicapped.

SACRAMENTO COUNTY

Program Description

The Sacramento Regional Transit District's goal is to provide transit services that are responsive to the needs of the Sacramento region under the planning guidance of the Sacramento Regional Area Planning Commission (SRAPC). One of the transit district's major objectives is to provide a fully accessible transportation system to better meet the needs of the elderly and handicapped.

The Sacramento Regional Transit District (RT) primarily provides transit services in the City of Sacramento and the County of Sacramento. This includes services to the eligible elderly and handicapped. The RT's policy is to expand paratransit service for the elderly and handicapped in accordance with a demonstration of need.

There are two operators in Sacramento county, and they provide similar types of community transit services. Paratransit Incorporated, a nonprofit organization, and Care-Ful Coach, a service of Sacramento's RT, provide services to the same clientele with lift-equipped vans and mini buses.

Policies and Procedures

The SRAPC is responsible for allocating funds for the Community Transit Services Program. The SRAPC is an association of cities and counties within the Sacramento regional area. The SRAPC funds the transit programs based upon the claims submitted by Paratransit Incorporated and Care-Ful Coach.

Care-Ful Coach has expanded existing services and now operates during evenings and weekends to meet the increasing demand. While these expanded services are greatly needed, there are indications that an even greater need exists for additional service during weekday hours. Financial constraints have limited the SRAPC's ability to satisfy transit needs of the elderly and handicapped.

Since the enactment of Article 4.5 in 1977, the SRAPC has not completed an in-depth evaluation of the Community Transit Services Program. An analysis was begun by the commission for release in July 1980, but, as of this writing, the study has not been released. The SRAPC turned its evaluation over to a consultant who is conducting a performance audit of Care-Ful Coach and Paratransit Incorporated.

Article 4.5 evaluation criteria requires that the proposed service must respond to a need not currently being served in the community of the claimant. However, when the transit program was established, the RT was providing a similar service. This service started in 1974 and by 1978 served approximately 200 handicapped riders, with a backlog of 700 applications. In addition, the RT provided specialized service to 250 developmentally disabled riders. This service was called "Route 156."

In 1978, as the demand for serving the elderly and handicapped increased, the transit district and the SRAPC requested proposals to expand elderly and handicapped services on a contractual basis. Paratransit Incorporated was selected as the contractor. This corporation is to provide a demand-responsive service and to gradually bring together services being operated by social service agencies. Paratransit Incorporated was authorized to purchase or take title to vehicles which it would operate directly; furthermore, it was authorized to provide expanded services during evenings and weekends.

The SRAPC is aware that the two operators are providing similar services to the same clientele. In our opinion, some duplication exists which could be eliminated.

Program Status

The Sacramento Regional Area Planning Commission did not assess the number of elderly and handicapped persons in Sacramento County when the Community Transit Services Program was instituted in 1977. Care-Ful Coach did maintain a list of subscribers desiring service. However, no formal assessment of the population had been made since the 1970 Census. In 1979, the SRAPC sent out a questionnaire to determine elderly and handicapped needs. The questionnaire was funded by a federal Urban Mass Transit Administration grant. The results showed that the demand far exceeded the available services. However, the percentage of elderly and handicapped being served in the county is still unknown. We estimated that approximately 93,000 elderly and 42,000 handicapped persons reside in Sacramento County.

Marketing

Only one marketing program has been conducted for the two existing Sacramento services. Paratransit Incorporated indicated that the RT was to market the proposed service through its normal marketing program. This included, but was not limited to, marketing through the bus book, which is the RT's major marketing tool. However, Paratransit Incorporated is not mentioned in the bus book. In addition, the RT's brochures describing its Care-Ful Coach service fail to describe Paratransit Incorporated services.

Fare-Box Recoveries

The two systems in Sacramento providing similar wheelchair services to the elderly and handicapped community had the following fiscal year 1979-80 fare-box recovery rates:

<u>Service Provider</u>	<u>Number of Vehicles</u>	<u>Operating Expenses</u>	<u>Fare-Box Recovery</u>	<u>Percentage</u>
RT Care-Ful Coach	8	\$264,573 ^a	16,021	6%
Paratransit Incorporated	16	\$266,338	33,962	12%

^a The RT has contested the inclusion of certain administrative costs in this calculation. It claims its fare-box recovery is greater than 6 percent.

Although the services are similar in nature, Paratransit Incorporated has much lower administrative and operational costs per vehicle than does Care-Ful Coach. We have been informed that for fiscal year 1980-81, Care-Ful Coach services are no longer being funded under Article 4.5. Since the services do not receive Article 4.5 funds, the requirement for a 10 percent fare-box recovery is eliminated.

Operator Program Costs

Operating program costs for fiscal year 1979-80 were estimated at \$266,338 for Paratransit Incorporated and \$264,573 for Care-Ful Coach. The SRAPC is analyzing these estimated costs. Data on performance measures were not available during

the preparation of this report because the RT objected to the SRAPC's method for allocating costs. Neither the SRAPC nor the RT will release its statistics until a consultant's report is issued.

Regional Summary

The Sacramento Regional Area Planning Commission is aware that there is a large demand for community transit services in Sacramento County but has made limited efforts to ascertain the extent of this demand. An inventory of the elderly and handicapped population is necessary for programming services to meet future needs. Over the past three years, both Care-Ful Coach and Paratransit Incorporated have expanded services by providing weekend and evening services to attempt to satisfy the increased demand. In 1978, the SRAPC selected Paratransit Incorporated to supplement Care-Ful Coach's elderly and handicapped services. Paratransit Incorporated is also providing expanded maintenance facility services through a state demonstration grant. This facility provides vehicle inspection and overhaul services to the various social service agencies that provide transportation services. Also, by purchasing in volume, Paratransit Incorporated is able to provide gasoline and insurance to those organizations at a savings. This serves as an example of program innovativeness.

As in other areas of the State, the marketing program in Sacramento has been limited because additional demands for services cannot be satisfied. Although the services of Care-Ful Coach and Paratransit Incorporated are duplicative, the SRAPC considers the demand to be of sufficient magnitude to warrant both services. To eliminate confusion to reduce administrative costs, consideration should be given to (1) consolidating functions such as scheduling and dispatching and (2) limiting geographical areas served by each system as a means of reducing duplication.

SAN DIEGO COUNTY

Program Description

In San Diego County, four operators provide demand-responsive transportation service to an estimated 171,000 passengers, all of whom are elderly and handicapped. These operators maintained a fleet of 33 vehicles which covered over 535,000 revenue miles for fiscal year 1979-80 at an operating budget of \$969,000.

In 1976, under a federal Urban Mass Transportation Administration grant, San Diego conducted a transportation study which included a needs assessment of the elderly and handicapped community. This study concluded that approximately 97,000 elderly and handicapped persons in the region were unable to use conventional fixed-route transit systems. Of these, about 28,000 elderly and handicapped must rely exclusively on a demand-responsive door-to-door transportation system. We estimated that there are approximately 244,000 elderly persons and 110,000 handicapped persons in San Diego County. In 1976, over 500 taxicabs and four demand-responsive dial-a-ride systems attempted to satisfy this demand. The elderly and handicapped population has grown markedly and now there are eight demand-responsive systems. (Four of these are funded through Article 4.5 allocations.) However, with this expansion, less than 5 percent of the needs are being satisfied; more than 28,000 trips daily are unanswered.

Regional Policies and Procedures

There are two planning agencies in the San Diego Region--the Comprehensive Planning Organization (CPO) and the San Diego Metropolitan Transit Development Board (MTDB). By mutual written agreement, the CPO has been designated by the Secretary of Business, Transportation and Housing Agency as the Regional Transportation Planning Agency responsible for the administration of the Community Transit Services Program. The two agencies appear to have an excellent working relationship. The funds are to be allocated to claimants based on the collective judgment of both agencies. During 1979-80, the CPO allocated the full 5 percent of TDA monies (\$1,170,472) to Article 4.5 claimants.

Presently, there are four claimants operating community transit services under Article 4.5 funding. Three are located within the MTDB's area and the other within the CPO's area. In fiscal year 1979-80, these four claimants submitted claims totaling \$1,170,472 but returned \$154,000 which was not used. This surplus occurred because of an overestimation of patronage in some areas of the county. Since three of the four claimants have been in operation less than one year, RTPA officials stated that to date there has been little assessment of system performance, quality, or feasibility of service. The criteria used to assess performance, quality of service, and service feasibility has

been limited primarily to that obtained through the claim documentation and the CPO's on-site visits. Available information has been difficult to analyze. High start-up costs and an initially low number of riders in new programs tend to distort performance measures typically used to evaluate program performance, efficiency, and effectiveness.

In fiscal year 1980-81, the CPO will conduct a community transit service evaluation study which will examine the performance, efficiency, and effectiveness of the existing systems. It will address program deficiencies and problem areas and will recommend improvements. It will also establish funding priorities and regional policies to modify or discontinue particularly inefficient or ineffective programs. In addition, it will set funding priorities for future allocations for Article 4.5 funds.

Program Locations

Below we further discuss the four operators that provided community transit services in fiscal year 1979-80:

East San Diego

WHEELS, operated by Red Cross (dial-a-ride), provides services to the eastern part of the county. This service area covers approximately 64 square miles and includes a potential market of 9,000 elderly and handicapped. Services are intended

for the elderly and handicapped and for those individuals who lack the financial resources to hire suitable private transportation.

North San Diego County

Demand-responsive service to the northern part of the county is provided by Lifeline. The service area covers 350 square miles and serves an area of approximately 70,000 elderly and handicapped. Services are available only to those who cannot use fixed-route public transit systems. This operation includes two service categories: those infirmed due to physical disability and those who cannot access fixed-route systems because of distance. Lifeline operates four mini buses with wheelchair lifts.

Lifeline has adopted the policy of furthering the positive aspects of the program and seeks to provide transportation services to the shut-in population. The program director indicated that some subscribers had not been out of their residences for over three years. The operator intends to make this service available to these individuals on a recurring basis.

Chula Vista

The third service is Handytrans operated by community transit services. This program provides services to the southern part of the county which covers approximately 28 square miles and serves a potential market of approximately 13,200 elderly and handicapped. Transportation is targeted at those persons who have difficulty using existing public transportation because of physical, mental, emotional, or age-related disabilities. Handytrans operates three lift-equipped vans that provide demand-responsive service to those eligible on a 24-hour reservation basis.

City of San Diego

San Diego "Dial-a-Ride" is the largest Article 4.5 demand-responsive system operating within the county and has been in operation since 1975. This service provides over 10,000 rides each month. "Dial-a-Ride" has expanded service to accommodate the entire City of San Diego which extends 320 square miles and has a population of over 852,000.

San Diego's system combines three modes of transportation for the elderly and handicapped. Subsidized taxis are used as needed under a contractual agreement. Nine wheelchair vans are used on a five-day week basis and 15 mini-buses are employed on a demand-responsive route system.

The system plans to enlarge services over a 13-zone operating area, with each zone receiving equitable service based upon needs.

Program Measures

Selected program measures for these four services for fiscal year 1979-80 are shown in Exhibit 6.

EXHIBIT 6

SAN DIEGO COUNTY COMMUNITY TRANSIT SERVICES PROGRAM MEASURES FISCAL YEAR 1979-80

<u>Program Measure</u>	<u>San Diego Dial-a-Ride</u>	<u>Handytrans</u>	<u>WHEELS</u>	<u>Lifeline</u>
Fare-box recovery	7.4%	7.1%	3.9%	2.8%
Operating cost	\$59,048	\$107,691	\$121,423	\$83,938
Revenue passengers per revenue mile	.32	.26	.10	.20 ^a
Operating cost per revenue passenger	\$4.68	\$9.56	\$20.82	\$13.57
Operating cost per revenue mile	\$1.52	\$2.48	\$1.98	\$2.69 ^a
Revenue miles	391,086	43,507	61,353	31,214 ^a
Revenue passengers	127,046	11,265	5,833	6,184

^a Estimated--data not available for first three months of operation.

Program Status

In 1976, a CPO study investigated public transportation services available to the elderly and handicapped population to develop short-term and long-range transportation program policies. The study showed a 1975 regional population of over 1.5 million, of which 203,813 were elderly (including elderly handicapped) persons and another 70,046 were younger handicapped persons. The study showed that nearly half the elderly and over 75 percent of the handicapped did not drive cars as their usual mode of travel. It estimated that 97,000 elderly and handicapped persons in the region were unable to use conventional fixed-route transit. Following this study, dial-a-ride types of services were established within San Diego County.

The 1975 study of transit services for San Diego's elderly and handicapped population is the most accurate assessment of that population's needs by any region we analyzed.

Marketing Program

Article 4.5 requires claimants to submit a proposed marketing program as a part of their claim submission. These marketing programs are, for the most part, brochures which outline the services provided. The brochures will be

circulated within a particular service area. San Diego's marketing programs are limited, since RTPA officials have found that any marketing efforts tend to create an increased demand for service which cannot be satisfied with the resources available. However, the CPO will not approve an Article 4.5 claim unless some limited marketing program is proposed. In one instance, the CPO withheld payment of funds until the required program was submitted.

Fare-Box Recovery Rates

In most regions, fare-box recovery rates reflect concern at the regional administration level. The law requires community transit service operators to recover at least 10 percent of their operating cost through the fare box for exclusive service to the elderly and handicapped and 20 percent for service to other than the elderly and handicapped starting in fiscal year 1980-81.

The following exhibit shows fare-box recovery rates calculated by the CPO and rates provided by the operators in response to our questionnaire, for fiscal year 1979-80:

EXHIBIT 7

SAN DIEGO COMMUNITY TRANSIT SERVICES
FARE-BOX RECOVERY RATES
FISCAL YEAR 1979-80

<u>Service Provider</u>	<u>Fare-Box Recovery Rates</u> <u>(percentages)</u>		
	<u>Calculated by</u> <u>San Diego</u> <u>CPO</u>	<u>Reported On</u> <u>Auditor General</u> <u>Questionnaire</u>	
		<u>Buses</u>	<u>Vans</u>
San Diego Dial-a-Ride	10.1	11.0 ^b	0.5 ^b
Handytrans (Chula Vista)	15.3 ^a	11.4 ^c	--
WHEELS (East County)	3.5 ^a	3.9	--
Lifeline (North County)	10.0 ^a	3.0 ^d	--

^a These percentages are subject to change according to fiscal audit results. They represent part of a year of operation.

^b These are based upon estimated operating costs.

^c These are based upon one quarter's computation.

^d These are based upon new service.

Our calculations indicate that only one of the four operators is meeting the stipulated fare-box requirements. Claimants who provide a wheelchair van service tend to recover less than the required 10 percent because of the high operating costs of the service. Subsidized taxi programs achieve the highest percentage of fare-box collections. Operators and the CPO officials believe that the fare-box requirements are too stringent and that some relief is warranted. If the fare-box recovery requirements are not modified, reductions in the levels of service provided may be required.

Operator Program Costs

The Comprehensive Planning Organization calculated four performance measures for fiscal year 1979-80 for the Community Transit Services Program. These statistics are presented in the following exhibit and show approximate ratios.

EXHIBIT 8

SAN DIEGO PERFORMANCE MEASURES FISCAL YEAR 1979-80

<u>Performance Measure</u>	<u>Dial-a-Ride</u>	<u>Handytrans</u>	<u>WHEELS</u>	<u>Lifeline</u>
Operating cost per vehicle service hour	\$15.28	\$28.69	--	--
Revenue passengers per revenue mile	.34	.32	.09	.38
Operating cost per revenue passenger	\$4.33	\$13.45	\$23.85	\$5.00
Operating cost per revenue mile	\$1.48	\$4.35	\$2.21	\$1.88

These cost performance measures are not as useful in comparing operators as they are for analyzing the performance of individual operators over time. Differences in operating costs between claimants may be due to various factors, such as geographical areas, population density, and types of services provided. (For example, wheelchair van services are much more expensive than subsidized taxi services.)

One operator within the North County Transit District receives no federal funds but employs an accountant to satisfy federal reporting requirements. Operators must provide federal reports on all operations because the North County Transit District receives federal funds.

Regional Summary

While the CPO is responsible for the administration of the Community Transit Services Program in San Diego County, the MTDB also has an interest in community transit services. This program is administered with a high degree of coordination, and the agencies communicate well.

The Comprehensive Planning Organization allocates the full 5 percent of TDA monies for Article 4.5 services. One of the four programs is innovative in that it provides service to the shut-in elderly and handicapped community. As in other regions, only a small percentage of the need is being satisfied. It is estimated that over 28,000 trips a month are still needed.

ORANGE COUNTY

As mentioned in the Introduction, Orange County does not participate in the Community Transit Services Program. However, Orange County started the first dial-a-ride program in the West in 1973 and still provides a dial-a-lift program for the handicapped. The Orange County Transportation Commission approves the Orange County Transit District (OCTD) plans and programs each year for the county's demand-responsive programs. Orange County has a population of approximately 1,800,000 persons and a service area extending 500 square miles. In 1978 and 1979, the OCTD reassessed its paratransit services and issued a three-volume study on that assessment.

Through a program similar to the Community Transit Services Program, Orange County operates approximately 98 vehicles a day and transports about 3,000 daily passengers. This amounts to approximately 900,000 passenger trips per year. The OCTD operates 28 dial-a-lift vans and 72 dial-a-ride community fixed-route vans. In addition, the district contracts for 43 sedans for other community fixed-route services. This inventory serves approximately 37,000 individuals a month under a program allocation of \$5,768,000 for fiscal year 1979-80. We estimated the elderly and handicapped population of Orange County to be 194,000 and 86,000 respectively.

Operating costs for dial-a-lift service totaled \$678,000 for fiscal year 1979-80 and \$5,090,000 for dial-a-ride and community fixed-route services. Annual revenue miles amounted to 519,160 for dial-a-lift services and 3,220,500 miles for the two dial-a-ride services. Orange County's fare-box recovery rate is 3 percent for dial-a-lift, 7 percent for OCTD's dial-a-ride, and 11 percent for the contracted community fixed-route services.

The Orange County Transit District submits quarterly reports on service and cost analysis to the Orange County Transportation Commission for review. The OCTD believes that operating the dial-a-lift and dial-a-ride programs under Article 4 of the TDA is advantageous. Article 4 allows trade-offs between fixed-route services and demand-responsive services and, under the constraints of a limited budget, regular fixed-route systems serve more people at a lower cost.

ELDERLY AND HANDICAPPED POPULATION ANALYSIS

As stated in the body of the report, the RTPAs did not determine the transit needs of the elderly and handicapped population in the nine counties we reviewed. Moreover, no assessment was made of the size of this population.

To measure the size of the elderly and handicapped population, we used a model prepared for the Department of Commerce. This model estimates mass transit needs of the elderly and handicapped in urban areas. We applied to this model the 1979 population statistics for California and developed a series of computer charts that detail this information for each of the nine counties and for the State:

- Total number of residents;
- Number of elderly persons;
- Number of handicapped persons;
- Percentage of each group in relation to total population;
- Number of elderly and handicapped in nonurbanized (rural or suburban) areas;
- Number of elderly and handicapped in urban areas.

After listing this information, each chart categorizes the number of elderly and handicapped persons in urban areas as either drivers or nondrivers. Then the total number of nondrivers is placed into two groups: those within two blocks of transit services and those without transit. From there the chart differentiates the number of persons who can or cannot use the available transit services as well as the number of persons who could or could not use transit services were they available.

The exhibits are listed as follows:

Alameda County	Exhibit 9
Contra Costa County	Exhibit 10
San Mateo County	Exhibit 11
Santa Clara County	Exhibit 12
San Francisco County	Exhibit 13
Los Angeles County	Exhibit 14
Sacramento County	Exhibit 15
San Diego County	Exhibit 16
Orange County	Exhibit 17

Exhibit 18 summarizes the population statistics statewide.

EXHIBIT 9

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

COUNTY - ALAMEDA	1979 POPULATION -	1,098,600	
	ELDERLY POPULATION -	151,607	PER CENT ELDERLY - 13.80
	HANDICAPPED POPULATION -	68,113	PER CENT HANDICAPPED - 6.20

NONURBANIZED
E&H POP. 96,677

***** CAN USE
37,897

TRANSIT
AVAILABLE
**** WITHIN TWO BLOCKS ****
51,678

***** HANDICAPPED
CANNOT USE
13,781

URBAN E&H
NON-DRIVERS 86,130

***** COULD USE
24,978

TRANSIT NOT
AVAILABLE

34,452

***** HANDICAPPED
COULD NOT USE
9,474

URBANIZED
E&H POP. 123,043

***** URBAN E&H DRIVERS
36,913

EXHIBIT 10

[illegible]

EXHIBIT 12

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

COUNTY - SANTA CLARA	1979 POPULATION -	1,235,300	
	ELDERLY POPULATION -	118,589	PER CENT ELDERLY - 9.60
	HANDICAPPED POPULATION -	53,118	PER CENT HANDICAPPED - 4.30

NONURBANIZED
E&H POP. 75,551

***** CAN USE
* 29,616
*

TRANSIT
AVAILABLE

**** WITHIN TWO BLOCKS ***
* 40,385
*

**** HANDICAPPED
* CANNOT USE
* 10,769

URBAN E&H
** NON-DRIVERS ***
* 67,309
*

**** COULD USE
* 19,520
*

* TRANSIT NOT
* AVAILABLE *****
* 26,924
*

URBANIZED
E&H POP. 96,156

**** HANDICAPPED
* COULD NOT USE
* 7,404
*

** URBAN E&H DRIVERS
28,847

EXHIBIT 13

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

COUNTY - SAN FRANCISCO	1979 POPULATION -	657,200	
	ELDERLY POPULATION -	136,698	PER CENT ELDERLY - 20.80
	HANDICAPPED POPULATION -	61,120	PER CENT HANDICAPPED - 9.30

NONURBANIZED
E&H POP. 87,039

***** CAN USE
34,120

TRANSIT
AVAILABLE
WITHIN TWO BLOCKS

***** HANDICAPPED
CANNOT USE
12,407

URBAN E&H
NON-DRIVERS 77,545

***** COULD USE
22,488

TRANSIT NOT
AVAILABLE
31,018

***** HANDICAPPED
COULD NOT USE
8,530

URBANIZED
E&H POP. 110,778

URBAN E&H DRIVERS
33,233

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

ESTIMATED TRANSIT NEEDS
OF THE ELDERLY AND HANDICAPPED

COUNTY - SACRAMENTO	1979 POPULATION -	745,400	
	ELDERLY POPULATION -	93,175	PER CENT ELDERLY - 12.50
	HANDICAPPED POPULATION -	41,742	PER CENT HANDICAPPED - 5.60

NONURBANIZED

E&H POP. 59,363

***** CAN USE
23,271

TRANSIT
AVAILABLE

**** WITHIN TWO BLOCKS ****

31,733

**** HANDICAPPED
CANNOT USE
8,462

URBAN E&H

** NON-DRIVERS ****
52,888

**** COULD USE
15,338

TRANSIT NOT
AVAILABLE
21,155

URBANIZED
E&H POP.

75,554

HANDICAPPED
*** COULD NOT USE
5,817

** URBAN E&H DRIVERS
22,666

ESTIMATED TRANSIT NEEDS
OF THE ELDERLY AND HANDICAPPED

COUNTY - SAN DIEGO	1979 POPULATION	1,767,500	PER CENT ELDERLY	13.80
	ELDERLY POPULATION	243,915	PER CENT HANDICAPPED	6.20
	HANDICAPPED POPULATION	109,585		

NONURGORIZED	
EAH POP.	155,540
*	
*	
*****	CAN USE
*	60,972

TRANSIT
AVAILABLE
***** WITHIN TWO BLOCKS *****
83, 143
***** HANDICAPPED
CANNOT USE
22, 171

**	URBAN E&H	*
***	NON-DRIVERS	****
*	138,572	* 40,186
		***** COULD USE

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*
* TRANSIT NOT
* AVAILABLE
*****
* 55,429
*
*
* HANDICAPPED
*
*** COULD NOT USE
    15,243
*
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URBAN E&H DRIVERS
59,388

EXHIBIT 17

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

COUNTY - ORANGE	1979 POPULATION -	1,851,000	
	ELDERLY POPULATION -	194,355	PER CENT ELDERLY - 10.50
	HANDICAPPED POPULATION -	86,997	PER CENT HANDICAPPED - 4.70

NONURBANIZED
E&H POP. 123,795

***** CAN USE
48,528

TRANSIT
AVAILABLE
WITHIN TWO BLOCKS

***** HANDICAPPED
CANNOT USE
17,646

URBAN E&H
NON-DRIVERS
110,290

***** COULD USE
31,984

TRANSIT NOT
AVAILABLE

***** HANDICAPPED
COULD NOT USE
12,132

URBANIZED
E&H POP. 157,557

URBAN E&H DRIVERS
47,267

EXHIBIT 18

ESTIMATED TRANSIT NEEDS OF THE ELDERLY AND HANDICAPPED

COUNTY - TOTAL STATE	1979 POPULATION - 22,471,000	PER CENT ELDERLY - 13.70
ELDERLY POPULATION -	3,078,527	PER CENT HANDICAPPED - 6.20
HANDICAPPED POPULATION -	1,393,202	

NONURBANIZED
E&H POP. 1,967,561

***** CAN USE
771,284

TRANSIT
AVAILABLE
WITHIN TWO BLOCKS
1,051,751

***** HANDICAPPED
CANNOT USE
280,467

URBAN E&H
NON-DRIVERS
1,752,918

***** COULD USE
508,346

TRANSIT NOT
AVAILABLE
701,167

***** HANDICAPPED
COULD NOT USE
192,821

URBANIZED
E&H POP. 2,504,168

URBAN E&H DRIVERS
751,250

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps